



COMMISSION ON INSURANCE

COUNTY OF LOS ANGELES

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Bob L. Blake
Glenn S. Brown, J.D.
William K. Callagy
Michael G. Cheung
Helene S. Lohr, LOTCT
Patricia Torres, Esq.
Steven Vicencia, CPCU

MINUTES

Meeting of March 20, 2008
Kenneth Hahn Hall of Administration, Room 374-A
500 West Temple Street, Los Angeles, CA 90012

Commissioners Present: Scott J. Svonkin, William K. Callagy, Steven Vicencia, CPCU, Bob L. Blake, Helene S. Lohr, LUTCF, Patricia Torres, Esq.

Commissioners Absent: Daniel Falcon, Barry R. Binder, Esq., Glenn S. Brown, J.D., Michael G. Cheung

CALL TO ORDER

In the absence of a quorum, Chairman Svonkin called the meeting to order as a Committee of the whole at 10:12 a.m.

(Commissioner Bob L. Blake joined the meeting at 10:25 a.m.)

APPROVAL OF MEETING MINUTES:

On motion of Commissioner Vicencia seconded by Commissioner Lohr and unanimously carried, the January 17, 2008 meeting minutes were approved.

CHAIRMAN'S REPORT

Chairman Svonkin reported on the following:

- Chairman Svonkin requested to add the pledge of allegiance to the next agenda.
- Chairman Svonkin congratulated Commissioner Lohr on her reappointment to the Commission.
- Chairman Svonkin requested to revisit the idea of obtaining funding for Commissioner's trip to Sacramento and requested staff to include this item to the Agenda of November 20, 2008 for discussion.
- Chairman Svonkin requested staff to extend an invitation to Mr. Rocky Armfield within four to six months for an update of the Terrorism Risk Insurance Act (TRIA).

STAFF REPORT

George Britton reported the following:

- There is no record that the Board of Supervisors has taken a position on the Healthcare Legislation ABX1 reform bill by the speaker and this item has not moved forward since the last meeting. There is nothing to report regarding this item.
- Commission staff is looking into finance information regarding Real State Tax Credit provided to insurance companies. Commission staff is presently researching within the Revenue and Taxation Code. Chairman Svonkin offered a contact name to expedite this request.
- Commission Staff drafted a Board letter requesting funding for the Commission trip to Sacramento. Chairman Svonkin has copy of the letter and is currently reviewing it.
- Commission Staff congratulated Commissioners for their cooperation for attending the Sexual Harassment Prevention and Cultural Diversity Training.

AMEND COMMISSION BY-LAWS

Hold for next meeting scheduled May 15, 2008.

UPDATE – ROCKY ARMFIELD, MANAGER, LAC RISK MANAGEMENT

Chairman Svonkin introduced Mr. Rocky Armfield, Assistant Chief Executive Officer, Risk Management Branch to the Commission.

Rocky Armfield reported that Terrorism Risk Insurance Act (TRIA) that was created in 2002 in response to the September 11, 2001 attacks. TRIA obligates the Federal government to help pay for losses from terrorism, once costs for insurers reach a certain threshold (foreign acts of terrorism only).

The Board of Supervisors issued a five signature letter urging the federal delegation to extend the Terrorist Risk Insurance Act (TRIA) coverage which was extended from December 2005 to December 2007. Additionally, the Terrorism Risk Insurance Reauthorization Act of 2007 was extended until December 2014 that also include domestic act of terrorism as well as nuclear, chemical, radiological, or biological chemical attacks.

Terrorist Risk Insurance purchased by the County will cost \$.5 million to purchase. Only those County buildings that are bonded and insured are covered. The Terrorist Risk Insurance continues to be expensive.

Chairman Svonkin asked Mr. Armfield about the agreement between local jurisdictions and large governmental institutions in the County to not take legal action against each other. Mr. Armfield stated that he will be meeting with Ms. Ellen Sandt, who is the new Deputy Chief Executive Officer, for further discussion.

Chairman Svonkin thanked Mr. Armfield for his informative presentation and requested that he keep the Commission informed on the status of the agreement.

CONTINUED DISCUSSION ON HEALTHCARE LEGISLATION ABX1

Chairman Svonkin stated the Commission will continue to monitor activity on healthcare legislation in Sacramento. The Chairman further stated that President Bush vetoed the bill that would have expanded funding for the Children's Healthcare Insurance Program. The national healthcare bill would have given millions of children healthcare coverage. The Chair stated that Mr. Bush was quoted as saying he feared much of the new money in the program would go to middle-class families, rather than those who are struggling to get by and need help paying for health insurance.

DISCUSSION OF FIRE INSURANCE TAX FEE

Commissioner Lohr reported that State of California was going to impose the fee on homeowner and business insurance policies. The fee would go to improve fire protection in areas most at risk to wildfires. Commissioner Lohr further stated that she had spoken with a regional director from Farmer's Insurance and stated that they have not taken a position at this point.

Chairman Svonkin stated that the State has taken no action on the fee and the Commission will continue to monitor the issue.

DISCUSSION ON FIRE RELATED CLAIMS

Chairman Svonkin reported that there have not been any complaints from the Third Supervisorial District regarding fire related claims. Commissioner Lohr stated that insurance companies were well prepared and moved quickly to respond. Chairman Svonkin requested staff to remove this item from Agenda.

PUBLIC COMMENT

None.

MATTERS NOT POSTED ON THE AGENDA

There was none.

ADJOURNMENT

There being no further business and without objection, the meeting was adjourned at 11:04 a.m.

ATTENDANCE

Staff

George Britton, Staff, Board of Supervisors
Mireya Rivera, Staff, Board of Supervisors

Guest(s)

Mary Callagy